

Sample article for organizations to use to reach customers

Provide the following article on your website or other communication vehicles.

What every student should know about summer jobs and taxes

Do you have a summer job during your time off from school? Do you know that you have to pay tax on the money you're earning from that job? Here are a few tips about earning money and paying taxes.

- Be sure you fill out [Form W-4](#), *Employee's Withholding Allowance Certificate*. Your boss uses this form to determine the amount of tax to withhold from your paycheck. If you have more than one job, you should make sure all your employers are withholding enough taxes to cover your total income tax liability. To ensure your withholding is correct, visit the [IRS Withholding Calculator](#) on IRS.gov.
- When determining how much income to report, include all the money you earned while working. This usually means wages, salaries and tips.
- In some jobs, like waiting tables, you may receive tips from customers. Tips are considered income, just like your hourly wages. Therefore, you must pay tax on them. This includes tips customers give you directly, tips customers charge on credit cards and your share of the tips you split with your co-workers.

For more information about reporting your tips, read [Publication 531](#), *Reporting Tip Income*.

- Are you doing odd jobs like babysitting and lawn mowing? These jobs are considered self-employment, and the money you earn is taxable.
- If you have net income* of \$400 or more from self-employment, you will have to pay self-employment tax. This pays for your Social Security and Medicare benefits, which are normally paid for by withholding from wages. The self-employment tax is figured on [Form 1040, Schedule SE](#).
- Generally, newspaper carriers or distributors under age 18 are not subject to self-employment tax.

See the special rules that apply to services you perform as a newspaper carrier or distributor if you are considered a direct seller and should be treated as self-employed for federal tax purposes

- It's important to know whether you are considered self-employed or a wage-earner. You can get more information about this on the IRS website.

If you are in the ROTC and participated in advanced training, the subsistence allowance you received is **not** taxable. However, active duty pay — such as pay received during summer advanced camp — **is** taxable.

Now that you're working this summer, you may be wondering whether you'll have to file a tax return. The answer depends on a bunch of things, from how much you're making to whether or not your parents claim you as their dependent. You can read the rules and dollar thresholds in [Publication 501, Exemptions, Standard Deduction and Filing Information](#) or use the [IRS interactive tool](#) to find out.

To learn more about taxes, including how you might qualify for a tax credit to pay for college or other qualifying education, visit [Tax Information for Students](#) on IRS.gov.

**Net income is the money you earned after any deductions — such as taxes, expenses or promotions — have been deducted*

NOTE TO EDITOR: *Below are links to IRS.gov information and publications on what students should know about paying taxes on the income they earn from summer jobs.*

IRS.gov

- [Taxable income for students](#)
- [Tax Information for Students](#)
- [IRS Withholding Calculator](#)
- [Understanding Taxes](#)

Forms and Publications

- [Publication 525, Taxable and Nontaxable Income](#)
- [Form 1040, Schedule SE, Self-Employment Tax](#)
- [Publication 4445B, What Type of Income Should Be Reported to The IRS? \(ENG/SP\)](#)
- [Publication 4445E, Employee, Self Employed, Independent Contractor \(ENG/SP\)](#)